

TENNESSEE REGULATORY AUTHORITY



Ron Jones, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Sara Kyle, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

December 20, 2005

Brad E. Mutschelknaus, Esq.
Melissa S. Conway, Esq.
Heather T. Hendrickson, Esq.
KELLEY DRYE & WARREN LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036

RE: Docket 05-00334: Informational Filing Regarding a Pro Forma Internal
Restructuring Involving XO Communications Services, Inc.

Dear Mr. Mutschelknaus and Mses. Conway and Hendrickson:

We received the above-referenced filing regarding XO Communications Services, Inc. ("XOCS"). Based on our initial review, it appears the proposed transaction requires approval of the Tennessee Regulatory Authority ("TRA") pursuant to Tenn. Code Ann. § 65-4-113. As described, the transaction will result in a transfer of XOCS from XO Communications, Inc. to XO Communications, LLC, thus resulting in an indirect transfer of XOCS' operating authority in Tennessee.¹ We therefore will proceed with your filing as a petition.

In order to fully analyze the petition, the TRA requires additional information. Please provide the information requested below by December 29, 2005, and refer to this correspondence as Data Request No. 1 in the response.

1. Has XOCS made similar filings in other states and what is the status of any such filing?
2. Has XOCS made a similar filing with the FCC or other federal agency? If so, list any action taken and the associated file(s) and/or file number(s). If a schedule to complete the review or your filing has been established by any federal agency, provide such with your response.
3. How many customers does XOCS currently have in Tennessee?

¹ In the filing, you stated that the TRA approved the transfer of control of XO Communications, Inc. to Mr. Carl C. Icahn on December 13, 2002. This is not correct. The TRA approved the transfer of XOCS' parent company, XO Communications, Inc., Debtor-In-Possession, to a newly organized XO Communications, Inc ("XO"). In so doing, the TRA recognized the majority of stock of XO would be held by High River, which was ultimately owned and controlled by Mr. Icahn. The actual ownership of XOCS, however, was transferred to XO as an entity, not to Mr. Icahn as an individual. The current transactions changed the form and structure of XO and therefore require TRA approval.

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4. What telecommunication services will XOCS continue to provide under its current CCN in Tennessee after the restructuring?
5. Confirm that XOCS will continue to operate and/or provide service under its current name and CCN issued by the Authority, and its business licenses as filed with the Tennessee Secretary of State's Office.
6. Provide copies of all current CCNs of XOCS issued with the Authority.
7. Provide a signed statement and/or written documentation from XOCS' attorney or legal party representative verifying that the information contained in the informational filing is true and correct to their best knowledge, information, and belief.
8. Will the parties enter financing transactions related to the proposed restructuring? If so, will XOCS be a signatory, pledge assets, or provide a guarantee to such financing? If so, please provide documentation showing the specific financing arrangement(s) that will be used for the proposed restructuring.

If you have any questions, or need further assistance, please call Carlos Black at 615-741-2904, ext. 196 or email him at carlos.black@state.tn.us. Please respond by sending the original and 13 copies to:

Ms. Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Sincerely,


Colleen Edwards, Interim Chief
Competitive Markets & Policy Division

c: Mr. Ron Jones, Chairman
Ms. Sharla Dillon, Docket Room Manager